

**Cost-Based Technology and Manufacturing Exchange**

ABSTRACT

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Cost-based methods of exchanging/transferring intellectual property (IP) among parties are provided that include royalty rates and mark-up rates based on a common factor. The common factor of an embodiment includes the cost of a component material of a product. The IP includes at least one of technology, patents, and trade secrets. The methods include a first company that transfers IP to a second company. The first and second companies, in effecting the transfer, establish a royalty rate that is a first percentage of a cost of a component material of the products and a mark-up rate that is a second percentage of the cost of the component material.

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